

BUDGET REVIEW SUBCOMMITTEE ON TRANSPORTATION

Minutes of the 1st Meeting of the 2026 Interim

June 3, 2026

Call to Order and Roll Call

The first meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on June 3, 2026, at 10:30 AM ET/9:30 AM CT in Room 131 of the Capitol Annex. Representative Ken Upchurch, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Ken Upchurch, Co-Chair; Senator Donald Douglas, Co-Chair; Senator Jimmy Higdon; and, Representatives John Blanton, Randy Bridges, Thomas Huff, Mary Beth Imes, Tom Smith, and Ashley Tackett Laferty.

Guests: Mike Hancock, Deputy Secretary, KYTC; and Shaun McKiernan, Budget Director, KYTC.

LRC Staff: Justin Perry, Jeremy Simpson, and Spring Emerson.

Senator Higdon introduced Haydon Thomas from Bardstown, Nelson County, who is serving as his Intern for the 2026 Interim.

Overview and Impact of Executive Order

Mike Hancock, Deputy Secretary, KYTC and Shaun McKiernan, Budget Director, KYTC presented an overview of Executive Order 2026-235.

In response to Co-Chair Douglas, Director McKiernan said the 3.3% impact on FY26 total payments represents a cost of \$11.8 million if the reduction lasts 1 month and \$17.7 million over 1.5 months for County Road Aid, Rural Secondary, and Municipal Road Aid, which is a 5% reduction of the total amount available.

In response to Senator Higdon, Deputy Secretary Hancock said the Department of Revenue is having discussions about how the counties will track the changes in the gas tax. The KYTC is constantly checking the cash flow and conducts monthly reviews as part of the process. Director McKiernan added that \$10 million per day is not an unusual amount for expenditures to come from the Road Fund, which is equal to \$100 million for a 10-day reserve.

Representative Blanton commented that we need to work together to modernize systems and keep a consistent balance of incoming revenues.

In response to Representative Smith, Deputy Secretary Hancock said he and his quality engineering staff welcome the opportunity to make things better.

In response to Representative Bridges, Deputy Secretary Hancock said all projects are considered, including those pertaining to economic development.

Senator Higdon commented that the decision by the Attorney General was for a 30-day reduction of 10 cents per gallon. It could be catastrophic if the reduction is extended beyond that period of time.

In response to Representative Blanton, Deputy Secretary Hancock said some states augment the gas tax with sales tax.

Timeline and Efficiency Forecast for General Funds in Road Plan

Mike Hancock, Deputy Secretary, KYTC and Shaun McKiernan, Budget Director, KYTC presented an overview of the timeline and efficiency forecast for General Funds in the Road Plan for High-Growth Counties.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 11:25 AM ET/10:25 AM CT.